

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ADX ENERGY LTD

ABN

50 009 058 646

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors - Receipts from joint venture partners	106	813
1.2 Payments for (a) exploration & evaluation	(4,876)	(8,065)
(b) development	-	-
(c) production	-	-
(d) administration	(354)	(800)
(e) payments on behalf JV	(102)	(340)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	23	50
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) GST refunds, exploration refunds & cost recoveries from JV	380	684
Net Operating Cash Flows	(4,823)	(7,658)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospect	-	(1,303)
(b) equity investments	-	-
(c) other fixed assets	(10)	(39)
1.9 Proceeds from sale of: (a) prospects farmin / (transferred to JV bank account)	(1,100)	-
(b) equity investments	10	10
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) Mostly exploration bonds	-	(1,776)
Net investing cash flows	(1,100)	(3,108)
1.13 Total operating and investing cash flows (carried forward)	(5,923)	(10,766)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(5,923)	(10,766)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, (net)	6,806	12,140
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	6,806	12,140
	Net increase (decrease) in cash held	883	1,374
1.20	Cash at beginning of quarter/year to date	1,388	942
1.21	Exchange rate adjustments to item 1.20	-	(45)
1.22	Cash at end of quarter	2,271	2,271

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	297
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- payment of director consulting fees and salaries.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

No material non-cash transactions.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Lambouka Project – Other entities are earning 70% in this project by contributing an additional 17% of well costs in excess of total interests being earned.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		
Other facilities – refer Note 1	20,000	-

Note 1 - In October 2009, ADX executed a Committed Equity Facility Agreement to secure a A\$20,000,000 facility with Trafalgar Capital Specialised Investment Fund, Luxembourg (Trafalgar). Subject to terms and conditions of the facility, ADX may, at its discretion, issue shares to Trafalgar at any time over the next 30 months. Shares issued to Trafalgar will be priced at 95% of the lowest of the daily volume weighted average price (“VWAP”) of the Ordinary Shares on ASX as quoted by Bloomberg during the prior five consecutive trading day period.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation – net of bond refund due	1,229
4.2 Development	-
4.3 Production	-
4.4 Administration	372
Total	1,601

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,271	1,387
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,271	1,387

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	No material changes		
6.2	Interests in mining tenements acquired or increased	No material changes		

Gulfsands Petroleum Plc exercised its option to increase its working interest to 30% in ADX's contiguous Kerkouane and G.R15.PU Permits, offshore Tunisia and Italy respectively.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	337,917,501	337,917,501		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	48,617,115	48,617,115	15 cents	15 cents
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	24,102,533	24,102,533	<i>Exercise price</i> 25 cents	<i>Expiry date</i> 31/3/2011
	1,250,000	-	15 cents	31/12/2010
	3,600,000	-	35 cents	21/4/2011
	3,600,000	-	40 cents	21/4/2012
	525,000	-	35 cents	13/5/2011
	525,000	-	40 cents	13/5/2012
	2,250,000	-	20 cents	1/7/2011
	1,500,000	-	25 cents	1/7/2012
	1,500,000	-	30 cents	1/7/2013
	19,200,000	-	25 cents	31/12/2012
7.8 Issued during quarter	19,200,000	-	25 cents	31/12/2012
7.9 Exercised during quarter	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.10	Expired during quarter	5,800,000 700,000	- -	30 cents 30 cents	21/4/2010 13/5/2010
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 30 July 2010.
 Company secretary

Print name: ..PETER IRONSIDE.....

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==